

## Message Text

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ACTION MMO-04

INFO OCT-01 EUR-12 ISO-00 EB-08 AID-05 COME-00 FRB-01  
CIAE-00 INR-10 NSAE-00 USIA-15 /056 W  
-----088895 131216Z /13

R 131158Z MAR 78  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC 6687  
DEPARTMENT TREASURY  
INFO AMEMBASSY BRUSSELS  
AMEMBASSY PARIS

UNCLAS SECTION 01 OF 02 BONN 04483

USEEC AND USOECD  
DEPARTMENT PASS FEDERAL RESERVE

E.O. 11652:N/A  
TAGS: EFIN, GW  
SUBJECT: GERMAN BALANCE OF PAYMENTS IN JANUARY

REF: CERP 0102

1. TRANSMITTED HERewith ARE GERMAN BALANCE OF PAYMENTS  
FIGURES FOR JANUARY 1978 AND, FOR COMPARISON, FOR  
JANUARY AND DECEMBER 1977.

JANUARY JANUARY DECEMBER  
1978 1977 1977

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(IN MILLIONS OF DM)

EXPORTS F.O.B.	21,313	19,792	25,435
IMPORTS C.I.F.	19,414	17,807	21,214
TRADE BALANCE	1,899	1,985	4,221
SUPPLEMENTARY ITEMS	178	- 383	172
TRADE BALANCE (INCLU-			
DING SUPPLEMENTARY			

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ITEMS)	2,077	1,602	4,393
SERVICES	0	- 733	- 300
UNILATERAL TRANSFERS	-2,300	-1,248	-1,500
BALANCE OF			
INVISIBLES	-2,300	-1,981	-1,800
CURRENT ACCOUNT			
BALANCE	-223	-379	2,593

LONG-TERM CAPITAL

PRIVATE CAPITAL	2,703	-926	1,899
DIRECT INVESTMENT	-75	-288	-377
PORTOFOLIO INVESTMENT	426	-752	652
CREDITS AND LOANS	2,411	184	1,689
OTHER	-58	-71	-66
OFFICIAL CAPITAL	-138	12	-215

BALANCE OF LONG-TERM

CAPITAL	2,565	-914	1,684
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SHORT TERM CAPITAL

COMMERCIAL BANKS	-1,821	-436	1,749
PRIVATE NON-BANKS	-133	-122	-736
OFFICIAL	623	-146	-1,194
UNRECORDED TRANSACTIONS	761	1,565	2,326

BALANCE OF SHORT-TERM

CAPITAL	-570	861	2,145
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DM REVALUATION LOSS	-	-	7,880
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NET FOREIGN POSITION OF

BUNDESBANK	1,772	-432	-1,458
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2. IN THE TWO-MONTH PERIOD DECEMBER 1977 AND JANUARY

1978 ON A SEASONALLY ADJUSTED BASIS IMPORTS INCREASED

BY 5 PERCENT AS COMPARED WITH OCTOBER/NOVEMBER 1977 WHILE

EXPORTS DECLINED SLIGHTLY BY 0.4 PERCENT. THE BUNDESBANK

BELIEVES THIS REFLECTS A "NORMALIZATION" OF TRADE FLOWS.

THE BUNDESBANK FEELS THAT AT THE BEGINNING OF THE

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MONETARY UNREST IN AUTUMN 1977

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ACTION MMO-04

INFO OCT-01 EUR-12 ISO-00 AID-05 EB-08 COME-00 FRB-01

CIAE-00 INR-10 NSAE-00 USIA-15 /056 W

-----088883 131215Z /13

R 131158Z MAR 78

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6688  
DEPARTMENT TREASURY  
INFO AMEMBASSY BRUSSELS  
AMEMBASSY PARIS

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EXPORTERS HAD ADVANCED EXPORTS BUT ARE NOW RETURNING  
TO A NORMAL DELIVERY PACE. IMPORTERS ALSO  
WHICH HAD TEMPORARILY DELAYED IMPORTS HAVE  
BEGUN TO REACT IN MORE NORMAL MANNER.

THE INCREASE IN THE TRANSFERS BALANCE FROM DM 1.5  
BILLION IN DECEMBER TO DM 2.3 BILLION IN JANUARY  
LARGELY REFLECTS INCREASED PAYMENTS OF THE FRG TO THE  
EUROPEAN COMMUNITY.

3. THE LONG-TERM CAPITAL IMPORTS WHICH BEGAN IN  
DECEMBER INCREASED IN JANUARY. THIS MAY AGAIN BE  
LARGELY A REACTION TO THE INCREASE IN MINIMUM  
RESERVES ON THE BANKS' FOREIGN LIABILITIES DECIDED IN  
MID-DECEMBER. IN ORDER TO AVOID THE 80 PERCENT RESERVE  
REQUIREMENT ON THE INCREASE IN SUCH LIABILITIES THE  
BANKS REDUCED THEIR SHORT-TERM FOREIGN  
LIABILITIES AND BORROWED DM 2.2 BILLION ON LONG-TERM.  
THESE BORROWINGS REMAIN FREE FROM RESERVE REQUIREMENTS  
SINCE SUCH RESERVES ARE IMPOSED ONLY ON LIABILITIES  
WITH MATURITIES OF LESS THAN 4 YEARS.  
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4. IN FEBRUARY THE BUNDESBANK'S FOREIGN POSITION  
INCREASED FURTHER BY DM 2.3 BILLION REFLECTING  
SUBSTANTIAL DOLLAR PURCHASES BY THE BUNDESBANK AND  
DEUTSCHEMARK SALES BY THE FEDERAL RESERVE BANK OF  
NEW YORK.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CERP 0102, BALANCE OF PAYMENTS, ANNUAL REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
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**Status:** NATIVE  
**Subject:** GERMAN BALANCE OF PAYMENTS IN JANUARY  
**TAGS:** EFIN, GE  
**To:** STATE TRSY  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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